

DATE: February 7, 2005

TO: Region Engineers
Region Delivery Engineers
TSC Managers
Resident/Project Engineers
Region Construction Engineers

FROM: Larry E. Tibbits
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SUBJECT: Bureau of Highway Instructional Memorandum 2005-02
Region Oversight of Local Agency Construction Projects

This memorandum supersedes CIM 1997-02 dated May 2, 1997, and CIM 1993-17 dated June 14, 1993. The Michigan Department of Transportation (MDOT) and local agencies have a mutual goal of a quality and cost effective transportation system while ensuring federal and state funding participation.

MDOT represents the Federal Highway Administration for oversight of local agency construction projects when they include federal funding. All MDOT staff (or hired consultants) responsible for overseeing local agency construction projects are required to follow the procedures set forth in this instructional memorandum.

Throughout this document, reference is made to MDOT's *Construction Manual*. It is imperative that department and local agency personnel involved with local agency construction projects use the most recent version of this publication.

DEFINITIONS:

PE The local agency project engineer.
DR MDOT's region or TSC designated representative responsible for oversight on local agency construction projects.

PROJECT ADMINISTRATION: Local Government Projects

These procedures are designed to ensure federal and state funding participation for local agency projects let by MDOT.

Plan Review Meetings (Pre-Grade Inspection/Grade Inspection Meetings) – The local agency is responsible for scheduling and conducting plan review and inspection meetings, and inviting the appropriate department personnel. Each region or TSC shall provide the name of his or her DR to the local agency. The PE shall notify the DR in the early stages of plan development for projects with work within MDOT's right-of-way. The PE is required to evaluate and approve the design plans at the review meeting. For additional information, please refer to MDOT's *Construction Manual*, Section 102, Subsections 2 and 3.

Preconstruction Meeting – The PE is responsible for initiating the preconstruction meeting when authorized by MDOT's Local Agency Programs (LAP), or once the low bidder is confirmed by the Bureau of Finance and Administration. Additionally, the PE shall schedule/conduct the meeting and invite the DR from the region or TSC. A department representative shall attend preconstruction meetings on projects within MDOT's right-of-way. The local agency is required to submit a progress schedule for signature to the DR and provide a copy of the FHWA PR-2 (Federal Funds Obligation Form). All preconstruction meetings shall be held prior to the contract award. For additional information, please refer to MDOT's *Construction Manual*, Section 102, Subsection 4.

Interim Meetings – If a region or TSC DR (or other designee) does not attend the preconstruction meeting, they must provide an opportunity for the local agency to meet and discuss issues/concerns associated with the project administration and/or field related problems. The PE shall provide a written notice to the respective DR outlining their issues and/or concerns, and specifics on the assistance needed. All interim meetings conducted shall be documented and retained in the PE's official project files.

Interim Inspection - During construction of the project, the DR (or other designee) may be available as a technical resource. We encourage such representation during interim inspections on projects of a complex nature.

Work Orders and Contract Modifications – The PE must contact the region or TSC DR for concurrence before initiating work orders or contract modifications for extras/adjustments, which meet the Administrative Board limit requirements. In addition, the PE may be required by the region or TSC to secure a concurrence for other limits (under the Administrative Board limits) of extras. Work shall not begin until such concurrence is received and documented in the project files. All contract modifications must be signed per MDOT procedures. Refer to MDOT's *Construction Manual*, Section 103. For Administrative Board requirements, see Section 103, Subsection 12.

Contractor Claims – Region and/or TSC staff attendance at claim hearings at the project level may be appropriate, but not required. Region involvement is required at region and central office review hearings, per MDOT procedures. Refer to MDOT's *Construction Manual*, Section 103, Subsection 13.

Final Inspection and Acceptance of Project – When items on the final inspection checklist have been completed to the satisfaction of the PE, the TSC manager or designee shall be notified that the project is ready for acceptance. Final MDOT acceptance will be documented using Form 1120, initiated by the PE and signed by the TSC. Refer to MDOT's *Construction Manual*, Section 109, Subsection 3.

Final Project Reviews (Certified/Uncertified Engineers) – Refer to MDOT's *Construction Manual*, Section 109, Subsection 9 and Section 110.

Monitoring Overdue Finals –The region or TSC DR shall monitor and track overdue finals for local government projects and advise the PE of the same. For assistance, please contact the Contract Services Division, Bureau of Finance and Administration, or the Construction and Technology Support Area's Region Services Unit.

MDOT's Cost Reimbursements – MDOT staff who perform construction project oversight services must charge their time to the local agency projects.

PROJECT ADMINISTRATION: Enhancement Projects

These procedures are designed to ensure federal and state funding participation for program projects let by the local unit of government.

Grade Inspection – Each region or TSC shall provide the name of his or her DR to the local agency. We encourage the DR or other designee to attend grade inspection meetings on projects within MDOT's right-of-way. The PE shall notify the DR of the scheduled date for the G.I. meeting.

Advertising and Award Notification – MDOT's LAP shall provide a copy of the authorization to advertise and the authorization to award to the DR. The authorization to award will include a description of the scope of work and contain the bid amount and agreement amount.

Checklist for Construction Documentation – The DR should refer the local agency PE to the www.michigan.gov/mdotlap website for information on project administration procedures. Under the website's "Construction Requirements" title are details on the retention and disposal of project records, as well as current construction requirements.

Preconstruction Meeting – The PE is required to schedule/conduct a preconstruction meeting and invite the DR. A department representative shall attend preconstruction meetings on projects within MDOT's right-of-way. The local agency is required to submit a progress schedule for signature to the department's representative and provide a copy of the FHWA PR-2 (Federal Funds Obligation Form). Preconstruction meetings shall be held prior to the contract award. For additional information, please refer to MDOT's *Construction Manual*, Section 102, Subsection 4.

Interim Meetings – If a region or TSC DR (or other designee) does not attend the pre-construction meeting, they must provide an opportunity for the local agency to meet and discuss issues/concerns associated with the project administration and/or field related problems. The PE shall provide a written notice to the respective DR outlining their specific issues and/or concerns, and specifics on the assistance needed. All interim meetings conducted shall be documented and retained in the PE's official project files.

Overruns – The maximum amount of federal funds available for the project is established in the agreement. If federal participation in the "as bid" federal participating work does not exceed that limit, federal reimbursement may be made on "as constructed" quantities that exceed the original contract estimate. These overruns may be approved by MDOT, provided the work was necessary to complete work specified on the plans and does not exceed the total bid for the contract by ten percent.

Extras and Contractor Claims – There will be no federal participation in extra work (work for which there was no bid unit price or work not necessary to completing the intent of the approved plans). There will be no federal participation in other contractor claims of any kind. Region involvement is required at region and central office review hearings per MDOT procedures. Refer to MDOT's *Construction Manual*, Section 103, Subsection 13.

Approval of Balancing Contract Modifications and Extensions of Time – The DR shall review and approve all balancing contract modifications and requests for extension of time.

Final Inspection and Acceptance of Project – Upon completion of the project, the local agency's PE shall conduct a final inspection and complete the required form for the acceptance of the project. The TSC manager or designee shall be notified that the project is ready for acceptance. Final MDOT acceptance will be documented using Form 1120, initiated by the PE and signed by the TSC. Refer to MDOT's *Construction Manual*, Section 109, Subsection 3.

Final Review of the Project Documentation – Refer to MDOT's *Construction Manual*, Sections 109 and 110, for further details on conducting final reviews of the project documentation. These reviews are required on all local projects administered by non-certified engineer(s) and will help to assure substantial conformance to the plans, proposal, specifications, and other federal requirements.

Final Estimate – The DR shall approve the final estimate on local agency projects. Additionally, the DR should direct the respective local agency PE to the department's www.michigan.gov/mdotlap website. Under the website's "Enhancement Projects" title is general information on procedures for local agency advertising, awarding, and administering federally funded transportation enhancement projects.

Charging Time – On or after the effective date of this IM, MDOT staff that perform construction project oversight services on "Enhancement Projects" must charge their time to the project.

CENTRAL SUPPORT AREAS ASSISTANCE

Pile Driving Data – Data are obtained through the Construction and Technology Support Area. Contact the Geotechnical Services Unit at 517-322-1633.

Monitoring Overdue Finals – Contact the Construction and Technology Support Area's Operations Review Specialist at 517-322-6181.

MDEQ-Environmental Notification – MDEQ is responsible for providing notification to the local road commissions of any non-contiguous wetlands within their jurisdiction that would be impacted by their respective projects. We encourage all region/TSC staff responsible for local agency oversight to contact their respective region resource specialist for assistance to insure consistency with federal and state requirements for wetland protection.

Review Process-MDOT/LAP – Refer to the www.michigan.gov/mdotlap website. Under the website's "Design/Engineering Requirements" are guidelines on federal eligibility, performing construction engineering, instructions on preparing to bid federal aid projects through MDOT, and the Michigan Timely Application and Permit Service. Contact Local Agency Programs at 517-335-2233.

Chief Operations Officer

Engineer of Delivery

BOHD:C/T:AC:kab

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